

## ORDINANCE NO. 45-985

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF ZTM, INC., SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Tax Exemption Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, ZTM, Inc. requests an ad valorem tax exemption on a proposed expansion project of 61% for a five year term on the certain manufacturing equipment; and

WHEREAS, ZTM, Inc. has operated within the City for more than seven years as a manufacturer of close-tolerance machined parts; and

WHEREAS, ZTM, Inc. proposes a \$267,741 expansion by the purchase of machinery and equipment to be located at 4011 E. 31<sup>st</sup> S. in southeast Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by ZTM, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by The Wichita State University and has conducted a public hearing on such application on February 3, 2004; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. ZTM, Inc. is an existing business located in Wichita, Kansas and has expanded its business by the purchase of certain personal property.
2. The purchase of personal property for which exemption is given occurred after July 15, 2003. No exemption will be given for construction or purchases which occurred before that date.
3. Such property purchases are to be used exclusively for manufacturing articles of commerce.
4. By such purchases, ZTM, Inc. will create new employment for 2 employees within five years after the start of the project.
5. Tax exemption will be given only for the purchase of certain personal property as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Business Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council for the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by ZTM, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted will be used exclusively for manufacturing articles of commerce.

2. ZTM, Inc. is hereby granted an ad valorem tax exemption of 61% for a five-year term on the purchase of personal property started after July 15, 2003, and located within the Wichita City limits at 4011 E. 31<sup>st</sup> S. in southeast Wichita at an estimated cost of \$267,741, as further defined in Exhibit I attached hereto. Such exemption to begin in the calendar year after the calendar year in which the expansion is completed.

3. The Department of Finance shall be responsible for monitoring the performance of ZTM, Inc. and shall provide annual reports on such performance.

4. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in ZTM, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated July 15, 2003, and as stated in ZTM, Inc.'s annually approved EEO/AA Plan.

5. Such exemption may hereafter be withdrawn by the City Council upon a finding that ZTM, Inc. no longer is entitled to such exemption in accordance with the Wichita Business Incentive Policy and Application of the City of Wichita.

6. The City Council may, at its discretion, require ZTM, Inc. to return all funds exempted if there is a failure to meet the level of employment and EEO/AA goals as presented to the Council and as stated in ZTM, Inc.'s application and EEO/AA Plan.

7. Upon finding that ZTM, Inc. has moved or relocated its operations as described in the tax exemption request or application outside the Wichita City Limits the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on ZTM, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

8. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 10th day of February, 2004.

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Carlos Mayans, Mayor

ATTEST:

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Karen Schofield, City Clerk

Approved as to Form:

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Gary E. Rebenstorf, City Attorney

**ZTM, Inc.**

**Exhibit I**

**Equipment Purchases:**

Cincinnati FTV Machining Center	\$190,000
Conveyor System - Puck Machine	12,741
RST 500 Briquetter - Puck Machine	<u>65,000</u>

<b>Total Equipment</b>	<b>\$267,741</b>
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<b>Total Expansion Project</b>	<b>\$267,741</b>
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